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Office Memorandum • UNITED STATES GOVERNMENT

TO : Chief, Industrial Division, ORR

DATE: 1 July 1959

FROM : Chief, Electronic Equipment Branch, ORR

SUBJECT: Monthly Activity Report, June, 1959

1. Status of Branch Projects:

- ✓ a) Project 36.2376, "The Impact of Guided Missile Requirements on the Electronics Industry of the USSR"
Analyst: [REDACTED] 25X1A9a
Due Date: Open

25X1A9a [REDACTED] time during June was fully occupied with another project.

- ✓ b) Project 36.2377, "Production and Utilization of Semiconductors in the USSR."
Due D/I: 15 February 1959
Due St/PR: 15 April 1959 (Overdue)
Analyst: [REDACTED] 25X1A9a

*Recd
2.8.59*

The new information received during May, and reported in the monthly report for May, has been incorporated into the report. The report is 99 percent completed and final typed. One section remains to be typed. The report will be forwarded to D/I on completion, no later than the sixth of July.

- ✓ c) Project 36.2378, "The Electronics Industries of the European Satellites" (Phase 2, Hungary)
Analyst: [REDACTED] 25X1A9a
Due Date: St/PR, 1 August; D/I, 1 June 1959

A revised outline of this project was received from the analyst, together with a written discussion of some detailed points which were to be covered by the paper. The monthly report for May indicated that other Branch work had curtailed the amount of time which was expended on this project to date, and that an extension of the deadline would be needed. I have discussed with the analyst the feasibility of obtaining from him an initial draft by 15 July. He indicated no apprehension about this

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SUBJECT: Monthly Activity Report, June, 1959

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date. Nonetheless, I have heard nothing from [REDACTED] on the detail of his work which would inspire confidence in me that this deadline will be met. It has been emphasized to him that this project cannot be allowed to be drawn out further except as other work in the Branch makes it necessary. If no request for deadline revision has as yet been made to St/PR, I suggest that such a request be delayed until 8 July. This will permit another discussion with the analyst and a careful reconsideration of the status of the project.

d) Project 36.2754, "The Electronics Industry of Poland."
Analyst: [REDACTED] 25X1A9a
Due Date: St/PR 18 November 1959

25X1A9a [REDACTED] will begin work on this project in the latter part of July and is scheduled to have his initial draft completed by 15 September. Some information has been collected, but nothing has been put on paper as yet. The due dates have been reviewed with the analyst and no difficulties are anticipated at this time.

e) Project 36.2753, "The Production of Electronic Computers in the USSR."
Analyst: [REDACTED] 25X1A9a
Due Date: St/PR, 15 December 1959

25X1A9a [REDACTED] is well along in the initial research stages of this report, some of which was accomplished in connection with the 1959 NIE, 10.2200. [REDACTED] feels that aside from the 25X1A9a yield of information in the current mail, most of the applicable information has already been completed. The analyst has also done some extensive work in the formulation of her basic methodology for the determination of the output value series. The methods under consideration include the analysis of 1) officially announced value series, 2) physical plant and labor force engaged in computer production, and 3) the collation of data on physical units and prices of the various types of computers known to have been produced through 1958. This approach appears to offer the most promise for the interpretation of the officially announced goals for the Seven Year Plan. [REDACTED] progress to date appears to reflect a well balanced approach for quantifying Soviet computer production and evaluating the roles of the various types of units included in the value series.

SUBJECT: Monthly Activity Report, June, 1959

2. Status of Support Projects

25X1A9a a) A Current Support Item entitled, "Lagging Development of Consumer Electronics Production in the USSR," was prepared by [REDACTED] 25X1A9a [REDACTED] and forwarded by the Branch to St/CSS.

b) Project 30.2204 - 1959 Military Expenditures NIE.

Work on this project has continued to occupy the majority of the research time of three Branch analysts during June. This effort is being directed toward a refinement of the 1958 estimates for radar, military ground force communications, and air defense communications. An attempt is also being made to provide a production series for some military electronic equipment not previously covered.

c) Project 48.2248 - Support to S/TD on 1959 COCOM List Review.

Work on this project has continued to occupy much of the time of the Branch Chief. Of the total of approximately 45 items which require review and revision of intelligence fact sheets, fifteen have been completed and provided to S/TD. Approximately ten more are basically complete. The deadline for completion of the remainder of the sheets is 10 July 1959. S/TD personnel are making every effort to minimize the burden imposed by this full scale review and have materially assisted I/EE in this task. 25X1A8a

3. Changes in Estimates

As a result of information acquired in May and June of 1959, and incorporated in Project 36.2377, the Branch estimates of Soviet semiconductor device production have been revised upward. It is now believed that the output of these devices in 1960 will be between two and three times the levels originally called for in the Sixth FYP. Despite this, however, the Seven Year Plan goals for the production of semiconductor devices in the USSR appear to be modest, compared with the level of output and growth rates which have been, and are currently being, achieved. ✓

4. Relations With Other Components

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[REDACTED] attended a meeting of the USIB Ad Hoc Committee on Exchanges in connection with the extension of the US/USSR exchange Agreement. [REDACTED] was primarily representing the 25X1A9a EIC Electronics and Telecommunications Subcommittee interest in an exchange of Microwave Communications. This exchange was originally proposed by the USSR. It was pointed out that this is an

SUBJECT: Monthly Activity Report, June, 1959

area of sensitivity from the security point of view, and that a very careful consideration of net advantage must be made.

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[REDACTED] together with other ORR personnel, completed several actions in support of the ORR ELINT Committee. Information relating to the study being undertaken by this Committee was obtained from the Federal Communications Commission, the Air Technical Intelligence Center, OSI, [REDACTED]

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[REDACTED] meeting of the full committee will be held during the week of 6 July to consider further steps which should be taken.

5. Future Plans

Two Branch analysts have indicated an intention to ask for administrative leave to visit the Soviet exhibition in New York. ✓

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[REDACTED]